



REPORT OF PROPOSED CHANGES IN EXCESS OF \$500,000 TO CURRENT **CONTRACTS FOR** COMPUTER SOFTWARE DEVELOPMENT, **HARDWARE ACQUISITION, OR QUALITY ASSURANCE** Prepared for The Michigan Legislature 10/7/2008

Prepared for The Michigan Legislature

By The Department of Management and Budget Purchasing Operations

In accordance with Sec. 710 of Public Act 261 of 2008

Questions regarding this report may be directed to Greg Faremouth, (517) 241-1646

Ad Board Date: 10/21/2008 (ver. 01)

STATE ADMINISTRATIVE BOARD CONTRACT CHANGE RECOMMENDATION

DEPARTMENT OF MANAGEMENT AND BUDGET PURCHASING OPERATIONS

AGENCY SUBMITTAL DMB PURCHASING SUBMITTAL	\boxtimes		
CONTRACT DESCRIPTION:	071B5200041; N	Medicaid Cost Settlement System; I hnology for the Department of Con	-
CONTRACTOR: Electronic Data Systems, Lansin	g, MI		NCREASE \$1,858,236.00
		en received by Purchasing Opera anet in agency's pre-approved co	
Check if request is to exercise Requested time period: 10/1/20	-		
Check if request is to extend C Time period of extension:	ontract (no opti	on in base).	
Check if extension is beyond C Time period of extension:	ontract option y	rear(s).	
Check if request is for a MiDE	AL contract.		
ORIGINAL CONTRACT:	Term: 10/1/2 # of Base Year	2004 - 9/30/2007 Value: \$4,94 vars: 3	1,108.00
CURRENT CONTRACT VALUE	: \$6,588,144.00		
NEW TOTAL CONTRACT VAL	UE: \$8,446,380.	00	
PREVIOUS OPTION YEARS:			
	PERIOD	G. D. I DDD 07117 D : ==	4.77.7
Ontion 1 CN # 2	(Years)	SAB APPROVAL DATE	\$ Value

PREVIOUS EXTENSIONS: 0

Option 2 CN #
Option 3 CN #

CHANGE TOTAL: Total number of processed changes to time, scope, and/or dollars: 1

Total

\$1,647,036.00

FIRST AND LAST CHANGE NOTICES:

		SAB APPROVAL		
		DATE	VALUE OF	DATE CCN
	TYPE OF CHANGE:	(if applicable)	CHANGE:	PROCESSED
First CN	Change buyer on the contract		\$0.00	4/17/2007
Last CN	Exercise option year and add funds to the contract	11/6/2007	\$1,647,036.00	11/11/2007

FUNDING SOURCE:	PERCENTAGE	COMMENTS
Federal Fund	50%	Federal Grant funds
General Fund	50%	

ESTIMATED INCREASE DETAILED BY FISCAL YEAR(S):

FY	Dollar Amount
2009	\$1,858,236.00

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation: This request is to exercise the one year contract option to carry on contractual automation services for fiscal year 2009. Continuation of this contract will maintain and support the automated Medicaid Program's Hospital, Long-Term Care (LTC) (nursing home), and Audit areas in the health care facility rate setting, reimbursement, and audit programs.

Purpose/Business Case of Amendment or Extension, and Expected Outcomes: Under the Medicaid long-term care program, participating providers are required to file annual cost reports from which data is used to calculate facility specific prospective reimbursement rates. The LTC Reimbursement and Rate Setting Section have primary administrative responsibility for the reimbursement program. The Office of Audit performs the federally required monitoring of these cost reports through in-house or on-site expenditure audits of the cost reports. The cost report information is used to calculate per diem reimbursement rates and determine annual reimbursement settlements for long-term care providers.

Risk Assessment: The consequences of not continuing the contract would result in the loss of all federal funding for hospitals, long-term care facilities, federally qualified health centers, rural health centers, tribal health centers, local public health departments, and school-based services providers. Additionally, payments to these providers would be considerably delayed.

PRICE CLAUSE: Firm-Fixed Price

CS-138 #: 084S3000018

COST REDUCTION/SAVINGS CONSIDERATIONS:

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PURCHASIN	G APPROVALS
Joann Klasko Buyer Signature	Manager Signature
Greg Faremouth Division Director Signature	Elise A. Lancaster Purchasing Operations Director
ACENCY	APPROVALS
AGENCI F	
Authorized Agency Representative (printed)	Return Information:
Authorized Agency Representative (printed)	Contact Name: ID Mail:
	Phone No:

e-Mail:

Authorized Agency Representative Signature